

Pinkham Way Alliance is pleased to have the opportunity to comment on the North London Waste Authority's future plans for the Edmonton site. We would appreciate your answers to the specific questions that we have asked (in bold italics).

### **Strategic issues**

You fall back on the North London Joint Waste Strategy as underpinning your proposals. However, the NLJWS expires in 2020, whereas your proposed ERF plant will not be built till some years later, and your proposal anticipates three decades ahead and beyond.

Therefore

- ***How is the Authority's proposal consistent with any up-to-date strategy agreed by the North London authorities?***

The Waste Hierarchy is central to the waste policies of the EU, the Mayor of London, the NLWS and the evolving North London Waste Plan, with a recycling target of 50% by the year 2020. Yet your proposal assumes that the North London authorities will not achieve a recycling level beyond 35-40% even by year 2051, and it is silent on the anticipated impact of higher-level waste management methods in the hierarchy - waste prevention and re-use – on the forecasts for residual waste.

- ***How is the scale and timing of your proposal consistent with the Waste Hierarchy aspirations to which you and the North London Councils are committed?***

The quantities of waste managed in your proposal exceed North London's apportionment, which is the amount agreed on a London-wide basis by the Mayor of London, taking into account the quantities of waste produced and manageable by all the London authorities.

- ***What is the benefit for North London's inhabitants in managing more waste than is necessary in North London?***

## **Eunomia's reservations on data**

Eunomia's caveats on data reliability could not have been stronger. 'Best available data' is exactly what it says it is; 'best', as the Authority knows, is relative, it is not an indication of fitness for purpose. We are surprised, therefore, at the lack of flexibility in the Authority's capacity decision on for the new EfW facility.

- ***Why has the Authority not attempted to mitigate the admitted inadequacy and fragility of 'best available data', at least to some extent, by a flexible, incremental approach rather than a decision to build maximum capacity near the beginning of the period?***

## **Operating capacity/forecast arisings/recycling rate**

We are concerned that the operating capacity of 700,000 tpa, when compared with the forecast arisings for 2051, indicates a recycling rate only a few per cent above the present NLWA figure of c 32%. This present figure is anyway well below some comparable WDAs (Gtr Manchester at 38.25% is but one example), and should be addressed urgently if there is not to be a substantial shortfall in NLJWS aims of 50% by 2020. The plan actually gives the impression that the Authority has given up on any effort to meet these, either by 2020 or in the future.

- ***In the light of this apparent conflict, what is the Authority's attitude to the 50% recycling target? Where does the target sit in the Authority's list of priorities?***
- ***What financial or strategic assessment has been made of the implications of the central or the high estimates of recycling on the plant's operation?***

## **Capacity compared with N London apportionment**

At its proposed 700k tpa capacity, the new plant would be capable of processing above 100% of the 2036 HHLA Apportionment, and an even higher percentage in earlier years.

London Boroughs have been set an Apportionment target based on regional need and their perceived ability to support the all London target. NLWA operates a pooled Apportionment for seven Boroughs within this total.

There is considerable difference between following the requirements of the Apportionment of the London Plan and seeking sub-Regional self-sufficiency in waste.

- ***Has a strategic or financial assessment been made of the apparent acceptance that sub-regional self-sufficiency is the better route?***

### **Consequences of future shortfall in N London arisings**

It is evident from the forecasts that a shortfall in feedstock from N London is possible, especially if the Authority and the Councils approach the 50% recycling target. We assume then that the Authority may be positioning itself as provider of treatment services to third parties. However, anecdotal evidence indicates that the cost of exporting waste to Europe, for instance to Holland, is significantly lower than the cost of local treatment

- ***What evidence does the Authority have of a reliable supply of third party waste of the required quality in the event of a shortfall from the sub-region?***

### **Quality of feedstock for the new plant.**

We note the Authority's comments on the high calorific feed necessary for the size of lines to be installed in the new plant.

- ***How does the Authority reconcile the apparent conflict between this requirement and***
  - ***with Policy 2 of the Mayor's Municipal Waste Strategy, which emphasises 'cleaner, efficient energy generation from low-carbon waste material'***
  - ***with the UK Government pledge to reduce carbon emissions by 80% by 2050, and***

- ***with EU policies and statements about plastic and energy recovery, especially from the previous Environment Commissioner, who said in 2012 “It (plastic) must be responsibly used and recycled from cradle to cradle without escaping a closed loop of responsible treatment at its end of life phase”.***

### **Electricity pricing model**

In October 2014, the UK Dept of Energy published projections for the price of oil, as it does every year. Oil is globally traded, and probably the most understood and heavily researched commodity with advanced, liquid markets, where even minute by minute trading is technically analysed. In the preamble, DECC says the following:

Forecasting fossil fuel prices far into the future is extremely challenging, as it depends on a large number of unknowns ... DECC has instead generated a set of projections based on estimates of fundamentals and other available evidence that represents a plausible range for future prices ... Each set of price projections (across oil, gas and coal) has been subjected to peer review, in which an expert with expertise in the given fuel type provided scrutiny to the methodologies behind the projections.

It is plain that, with input from the International Energy Agency, the Institute of Economic Affairs, leading industry analysts Wood Mackenzie and 8 other financial institutions, DECC could justifiably believe that it had used ‘best available data’.

As at October 2014, the low, central and high forecasts for oil, were \$90, \$105 and \$120 for 2014, and \$89, \$96 and \$122 for 2015.

Three and a half months later, on Friday 23<sup>rd</sup> January 2015, Brent Crude closed at just under \$49 and West Texas at under \$46.

DECC also publishes yearly projections of electricity prices.

- ***Has the Authority used the DECC forecasts or any similar projections in any financial assessment made of the operating model of the new plant?***

- ***What price scenarios have been assessed?***
- ***Will the plant's financial model be available in the next consultation exercise?***

### **Commercial and Industrial Waste**

In the waste forecasting model, we see that NLWA's share of business waste has fallen by nearly 40% in four years, yet this fall is forecast to be made up, and more, during the next four years:

... in 2012/13 that proportion was around 10% decreasing from 16% in 2009/10. The overall proportion was assumed to increase to approximately 20% by 2018/19 and was held constant for the remainder of the study period

- ***Has the Authority analysed the reasons for the initial sharp fall, and what changes have been made in the present strategy which gives it confidence that it will double market share in the next four years, and retain that gain after that?***
- ***If the strategy to rebuild market share is primarily price based, what are the wider implications for other stakeholders?***

### **Land use implications**

In view of the many competing uses for land in North London, we are concerned that misguided overprovision for waste management within the sub-region endangers our ability to provide for other uses. In particular, the fact that waste management has the lavishly funded Waste Authority driving its expansion poses a danger to uses such as nature conservation which is left to find its advocacy from voluntary civil society. In particular, the submission to the new North London Waste Plan, written by the Authority's former Director of Procurement, displays a one-sided championing of an unlimited waste land bank that discredits the Authority as a reasonable, responsible public body.

- ***Will the Authority now withdraw the former Procurement Director's submission from the new North London Waste Plan, which has now been superseded by the abandonment of the procurement, and to allow the evolution of a fresh approach starting with this consultation on the new Edmonton ERF?***